

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

In re)	
)	Civil Action No. 06-702 (KAJ)
RADNOR HOLDINGS)	
CORPORATION, <i>et al.</i> ,)	
)	
Debtors.)	
)	Chapter 11
<hr style="width: 40%; margin-left: 0;"/>)	Case No. 06-10894 (PJW)
The Official Committee Of Unsecured)	Jointly Administered
Creditors,)	
)	
Appellants,)	
)	
v.)	
)	
Tennenbaum Capital Partners, LLC,)	
<i>et al.</i> ,)	
)	
Appellees.)	
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STATUS REPORT OF THE PARTIES

This status report is submitted by the parties to the above captioned action and three related appeals: (i) The Official Committee of Unsecured Creditors of Radnor Holdings Corporation and its affiliates (the "Committee"); (ii) Tennenbaum Capital Partners, LLC, Special Value Expansion Fund, LLC, Special Value Opportunities Fund, LLC, and Jose E. Feliciano (collectively, the "Tennenbaum Lenders"); and (iii) Radnor Holdings Corporation and its affiliates, each a chapter 11 debtor (collectively, the "Debtors").

Four related bankruptcy appeals of orders entered by United States Bankruptcy Judge Peter J. Walsh from October 31, 2006 through November 21, 2006, in the chapter 11 case of In re Radnor Holdings Corporation, et al. and motions related to

such orders, are now pending in the United States District Court for the District of Delaware (the "District Court"). In chronological order of the commencement of each appeal or action, they are:

1. The Debtors' appeal from the Order Granting Official Committee of Unsecured Creditors Standing to Prosecute Actions on Behalf of the Debtors' Estates Against Tennenbaum Capital Partners, LLC, Special Value Expansion Fund, LLC, Special Value Opportunities Fund, LLC, and Jose E. Feliciano and Related Relief, entered by Judge Walsh on October 31, 2006 (the "Derivative Standing Order"). The appeal is Civil No. 06-735 and was first assigned to Chief Judge Sue L. Robinson on December 13, 2006. This appeal has subsequently been assigned to the judge that will fill the vacancy left by the elevation of Judge Kent A. Jordan to the United States Court of Appeals for the Third Circuit.

2. The Committee's appeal from the Judgment in Favor of All Defendants on All Counts, and related Amended Findings of Fact and Conclusions of Law (collectively, the "Judgment"), entered by Judge Walsh on November 16, 2006. The appeal is Civil No. 06-784, and has similarly been assigned to the judge that will fill the vacancy left by the elevation of Judge Jordan.

3. The Committee's Emergency Motion for Stay Pending Appeal and Corresponding Extension of the Bid, Auction and Sale Deadlines, filed with the District Court on November 20, 2006 ("the Emergency Stay Motion"). This matter is Civil No. 06-702. On November 21, 2006, Judge Jordan denied the relief sought in the Emergency Stay Motion. No appeal has been taken from the

order denying the Emergency Stay Motion. No further action of the District Court is required with respect to the Emergency Stay Motion, and this pending matter should be closed.

4. The Committee's appeal from the Order (1) Approving Sale of Substantially all of Debtors' Assets Free and Clear of all Liens, Claims, Interests and Encumbrances; (2) Approving Assumption and Assignment of Certain Contracts and Leases; and (3) Granting Related Relief (the "Sale Order"), entered by Judge Walsh on November 21, 2006. The appeal is Civil No. 06-782, and has been assigned to the judge that will fill the vacancy left by the elevation of Judge Jordan.¹

The appeals of the Derivative Standing Order, the Judgment and the Sale Order are substantially related, and should be assigned to the same judge of the District Court. Specifically, the Derivative Standing Order, entered on October 31, 2006, among other things, granted the Committee standing to bring estate causes of action against the Tennenbaum Lenders. The Committee then brought those causes of action and others, and a trial was held before Judge Walsh. The Judgment, entered on November 16, 2006, represents the post-trial ruling of Judge Walsh on all causes of action, including, among other things, the right of the Tennenbaum Lenders to credit bid their secured claims at an auction for the Debtors' assets. The Sale Order, entered on November 21, 2006, authorized the sale of substantially all of the Debtors' assets to the Tennenbaum Lenders,

¹ Concurrently with filing of this Status Report, the Committee (but not the Debtors or the Tennenbaum Lenders) is filing in Civil No. 06-782 a Motion to Expedite Appeal of Issues 4 Through 9 Relating to Compensation of Committee's Professional Advisors, and to Stay All Other Issues on Appeal Pending Resolution of the Expedited Appeal (the "Motion to Expedite"). Because Civil No. 06-782 is currently assigned to the vacant judge position, the Committee is requesting that its Motion to Expedite be considered by the Chief Judge or another appropriate judicial officer of the Court. The Debtors and the Tennenbaum Lenders may oppose such Motion to Expedite and reserve their right to do so.

with the Tennenbaum Lenders' pre-approved credit bid a portion of the consideration it paid for the assets.

As the foregoing demonstrates, the remaining appeals all involve related facts, and the interests of judicial economy weigh heavily in favor of assigning all three remaining appeals to the same judge. The parties to the appeals hereby consent to the determination of all such appeals by the same judge of the District Court. Alternatively, if directed, the parties could file a motion seeking such relief.

Dated: January 12, 2006
Wilmington, Delaware




Donald J. Detweiler (No 3087)
Victoria W. Counihan (No 3488)
GREENBERG TRAURIG, LLP
The Nemours Building
1007 North Orange Street, Suite 1200
Wilmington, Delaware 19801
Telephone: (302) 661-7000
Facsimile: (302) 661-7360
detweilerd@gtlaw.com
counihanv@gtlaw.com

- and -

Nancy A. Mitchell
Nancy A. Peterman
GREENBERG TRAURIG, LLP
77 West Wacker Drive, Suite 2400
Chicago, Illinois 60601
Telephone: (312) 456-8400
Facsimile: (312) 456-8435
mitchelln@gtlaw.com
petermann@gtlaw.com

Counsel for the Official Committee of Unsecured
Creditors of Radnor Holdings Corporation, *et al.*



Mark D. Collins (No. 2981)
Russell C. Silberglied (No. 3462)
Paul N. Heath (No. 3704)
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
P.O. Box 551
Wilmington, DE 19899
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

- and -

MILBANK, TWEED, HADLEY & McCLOY LLP
Gregory A. Bray
Fred Neufeld
601 South Figueroa Street, 30th Floor
Los Angeles, CA 90017
Telephone: (213) 892-4000
Facsimile: (213) 629-5063

Attorneys for TR Acquisition Co., Inc.,
Tennenbaum Capital Partners, LLC, Special Value
Opportunities Fund, LLC, Special Value Expansion
Fund, LLC and Jose Feliciano



Gregg M. Galardi (No. 2991)
Mark L. Desgrosseilliers (No. 4083)
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
Telephone: (302) 651-3000

Edward J. Meehan
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
1440 New York Avenue
Washington, D.C. 20005-2111
Telephone: (202) 371-7000

Counsel for the Debtors and Debtors-in-Possession

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

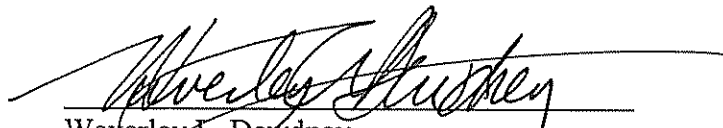
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)	
)	

AFFIDAVIT OF SERVICE

STATE OF DELAWARE :
: SS.
NEW CASTLE COUNTY :

Waverley L. Dewdney, being duly sworn according to law, deposes and says that she is employed as a Legal Assistant for the law firm of Richards, Layton & Finger, P.A., and that on the 12th day of January, 2007 she caused a copy of the following document(s) to be served on the attached list as indicated:

STATUS REPORT OF THE PARTIES


Waverley L. Dewdney
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
P.O. Box 551
Wilmington, DE 19899
(302) 651-7700

Sworn to and subscribed before me this 12th day of January, 2007.


Notary Public

ANN JEROMINSKI
Notary Public - State of Delaware
My Comm. Expires Feb. 14, 2008

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SERVICE LIST

Via First Class Mail

Radnor Holdings Corporation
Attention: Carrie Williamson
Radnor Financial Center
150 Radnor Chester Road
Building A, Suite 300
Radnor, PA 19087

Via First Class Mail

Timothy R. Pohl, Esq.
Skadden, Arps, Slate, Meagher &
Flom LLP
333 West Wacker Drive
Chicago, IL 60606

Via Hand Delivery

Donald J. Detweiler, Esq.
Greenberg Traurig, LLP
1007 North Orange Street,
Suite 1200
Wilmington, DE 19801

Via First Class Mail

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601-6636
Attention: Anup Sathy, Esq.

Via Hand Delivery

William P. Bowden, Esq.
Ashby & Geddes
222 Delaware Avenue
Wilmington, DE 19801

Via Hand Delivery

The Honorable Kent A. Jordan
Attention: Chambers
J. Caleb Boggs Federal Building
844 N. King Street, Room 6325
Lockbox 10
Wilmington, DE 19801

Via Hand Delivery

Gregg M. Galardi, Esq.
Skadden, Arps, Slate, Meagher &
Flom LLP
One Rodney Square
Wilmington, DE 19801

Via First Class Mail

Nancy A. Peterman, Esq.
Greenberg Traurig, LLP
77 West Wacker Drive, Suite 2500
Chicago, IL 60601

Via Hand Delivery

Laura Davis Jones, Esq.
Pachulski Stang Ziehl Young Jones
& Weintraub
919 North Market Street, 17th Floor
Wilmington, DE 19801

Via First Class Mail

Paula A. Schmeck, Esq.
Thorp, Reed & Armstrong, LLP
One Oxford Centre
301 Grant Street, 14th Floor
Pittsburgh, PA 15219

Via First Class Mail

Gregory A. Bray, Esq.
Milbank, Tweed, Hadley &
McCloy LLP
601 South Figueroa Street,
30th Floor
Los Angeles, CA 90017-5735

Via Hand Delivery

United States Trustee
Attention: William Harrington, Esq.
844 King Street
Lockbox 35
Wilmington, DE 19801

Via First Class Mail

Edward J. Meehan, Esq.
Skadden, Arps, Slate, Meagher & Flom
LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005

Via Hand Delivery

The Honorable Peter J. Walsh
Attention: Chambers
United States Bankruptcy Court
District of Delaware
824 North Market Street, 6th Floor
Wilmington, DE 19801

Via First Class Mail

Clifton R. Jessup, Jr.
Bruce H. White
Greenberg Traurig, LLP
2200 Ross Avenue, Suite 5200
Dallas, TX 75201